

Defense Finance and Accounting Service - Columbus Center



MOCAS Overview

Topics

- MOCAS/DFAS Background
- What is MOCAS?
- Magnitude of Operations
- Who are our Customers?
- Organizational Structure
- Walk-Thru an Operating Division
- What's On the Horizon?



MOCAS/DFAS Background

- **In May 1989, we began Consolidation of CAS Payment Operations from 9 DLA Sites to 1**
- **Completed Workload Transfers from Prior Defense Administrations Services Regions in November 1992**
- **Completed AMIS Workload Transfer November 1995**



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Columbus was chosen as the site to consolidate 9 regional sites into one contract payment location. [Nine sites: New York, Boston, Cleveland, Atlanta, St. Louis, Dallas, Los Angeles, Chicago, Philadelphia]

Our first transfer was the El Segundo Division in May of 1989.

DCASR transfers were completed in November 1992.



What is MOCAS?

- **Mechanization Of Contract Administration Services**
- **Integrated System Supporting Post Award Contract Administration Utilized By:**
 - **DCMC Contract Administration Offices**
 - **Payment Offices**
 - **Procurement Offices**
 - **Funding Stations (Prevalidation Business Partners)**
 - **Consignees**

MOCAS

- **MOCAS Contract Features:**

- **Multiyear Contracts**
- **Multiple Deliverables**
- **High Dollar**
- **Progress Payments**
- **Destination Acceptance**
- **Contract Administration Assigned to Defense Contract Management Command (DCMC)**



Magnitude of Operations

- Average Number of Contracts 342K
- Average Number of Contractors Serviced 20K
- Average Invoices Paid Per Month 81K
- Average Dollars Disbursed Per Month 6B
- Total Number of Resources Involved in the MOCAS Payment Process 1131
- Total Linear Miles of Contract Files 15.7

Averages are based on past 13 months of data.

Who Are Our Customers?

- **Military Services**
- **Defense Agencies**
- **Government Contractors**



Military Services

- Defense Logistics Agency
- Army
- Navy
- Air Force
- Marines



Military Services

- 329,552 Contracts
- Contract Obligation Value \$850.3B



We Currently have 329,552 Contracts in house, with a total obligated dollar value of \$850.3 billion dollars. Data as of 4/00.

Government Contractors



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We also service government contractors.

We pay for each of the products shown here including the Patriot missiles produced by Raytheon, shown in the upper right corner, the Apache helicopter, built by McDonnell Douglas, pictured in the lower right, the F/A 18 Hornet, produced by McDonnell Douglas and used by the Navy Blue Angles shown in the lower left.

Government Contractors

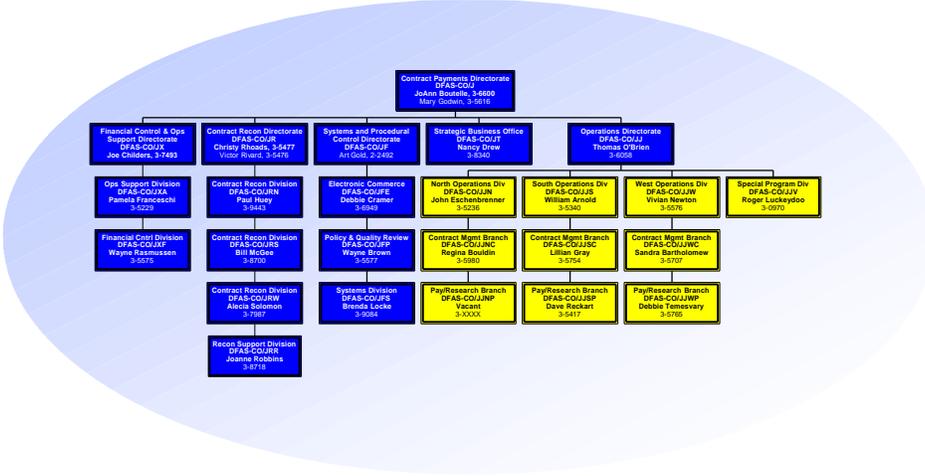
- 19,342 Contractors
- 973,249 Thousand Invoices Paid Annually
- \$70.7 Billion Disbursed Annually



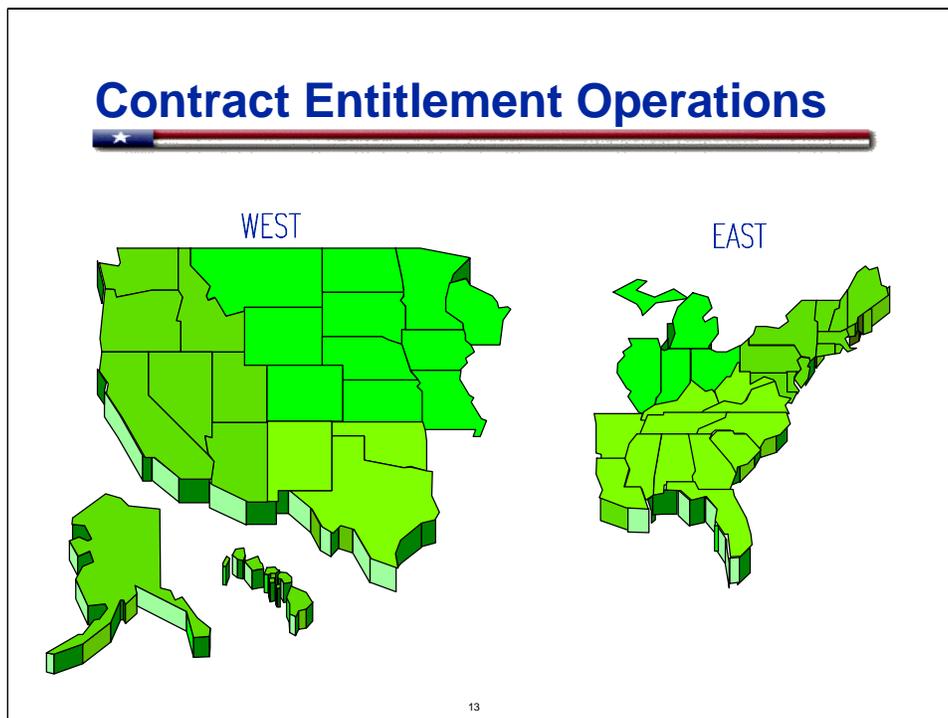
Active Contractors as of 4/00
Annually = FY99

Organizational Structure

Contract Entitlement Directorate



Contract Entitlement Operations



DFAS was originally called the DLA Finance Center (DFC) and was assembled from nine different payment offices located throughout the United States.

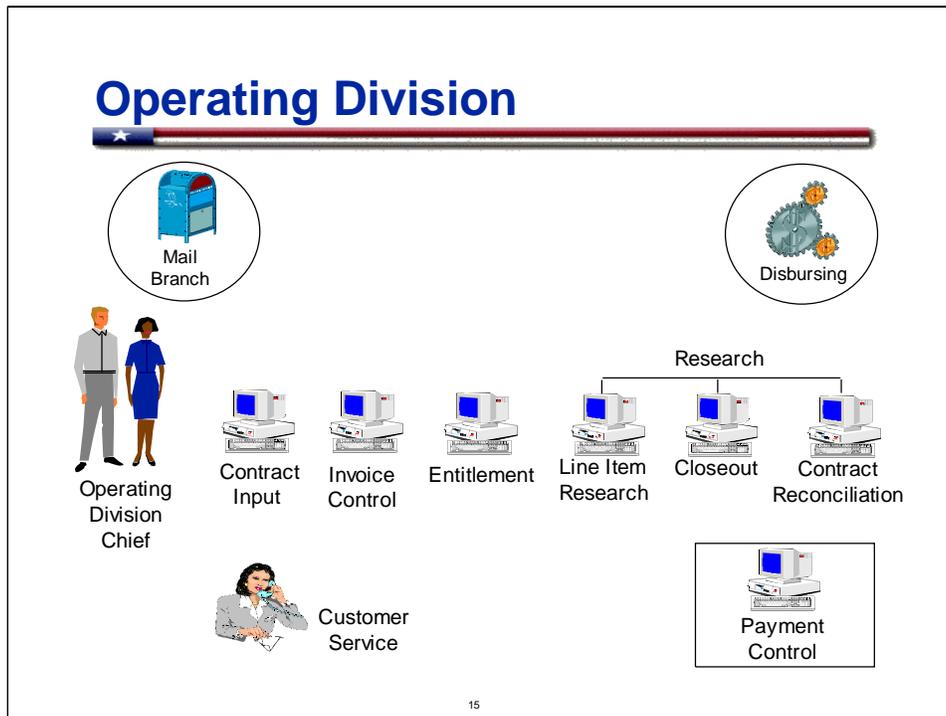
Beginning in 1989, these offices were brought one-by-one to a central location in Columbus, Ohio. We were renamed the DFAS-Columbus Center.

The contract entitlement directorate is one part of DFAS-CO. It is comprised of three contract entitlement operations areas: North, South, and West.

Operations Walk Through



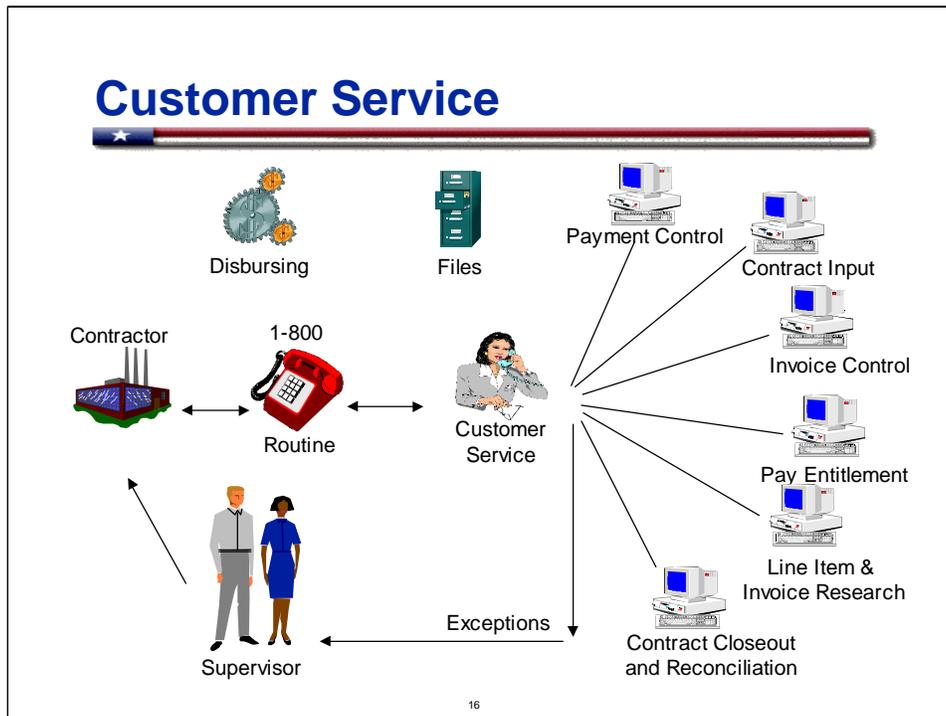
To give you a better idea of how an operating division works, the next pages in your package will provide a general outline of each area's functions.



The two circled areas on this chart represent MOCAS's process partners, the mail branch, and disbursing.

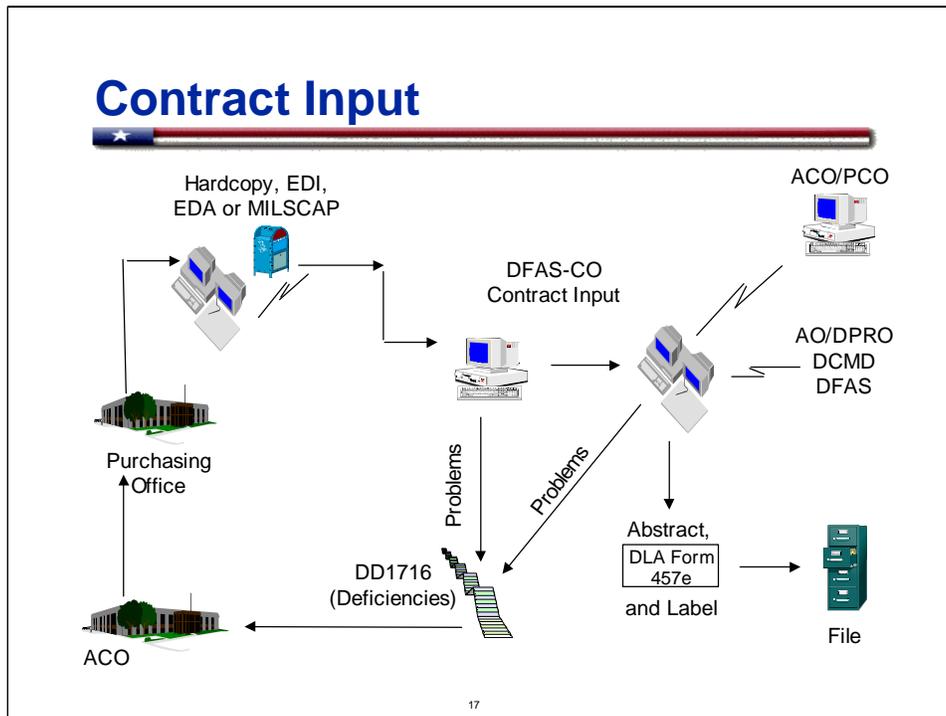
The functional areas of a standard operating division are listed in the middle section. We will elaborate on the functions of each later.

The last area pictured in the square at the bottom right corner, is the payments control division. While not a part of the operating division itself, its work is an integral part of the payment process. Functions in this area include: Cash Management, Balancing, and Accounts Receivable (JR)



Each Operating Division has a 1-800 number for contractors to call when they need assistance on payment issues. The customer service branch, in turn, coordinates with all other branches to resolve problems.

If they are unable to correct the problem, they will elevate it first to the Research Supervisor then to the Division Chief. If the problem still is not solved, CSRs may elevate to the Deputy Assoc. Director who acts as the ombudsman for the Directorate and so forth until resolved.



A contract may be received in 4 ways: in hardcopy or electronically via MILSCAP, EDA or EDI.

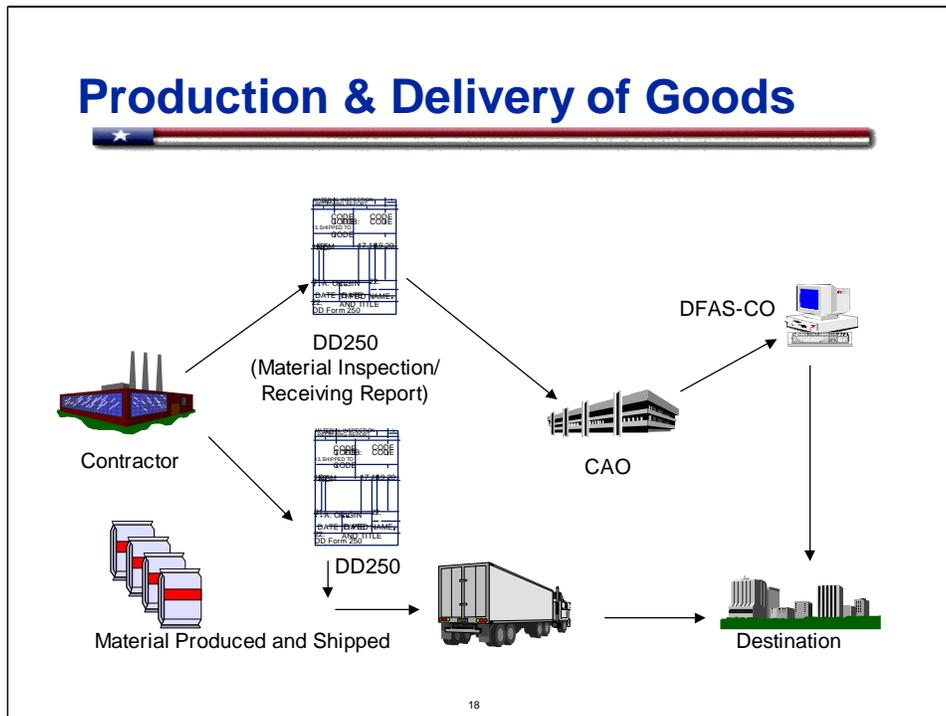
Once received, the contract is established into MOCAS acknowledging receipt of the document. This is known as backlogging. It is then forwarded to an Input Technician to be fully input.

Once the data is entered into the system, a contract abstract, DLA Form 457e (Fiscal Information Posting Slip) and contract label are generated. This info is folderized and forwarded to the files area.

At this point, the data can be viewed by ACOs and PCOs.

At any time, if an error or missing data is noted, a DD1716, Procurement Data Package Deficiency, is forwarded to the ACO indicating the problem.

Production & Delivery of Goods



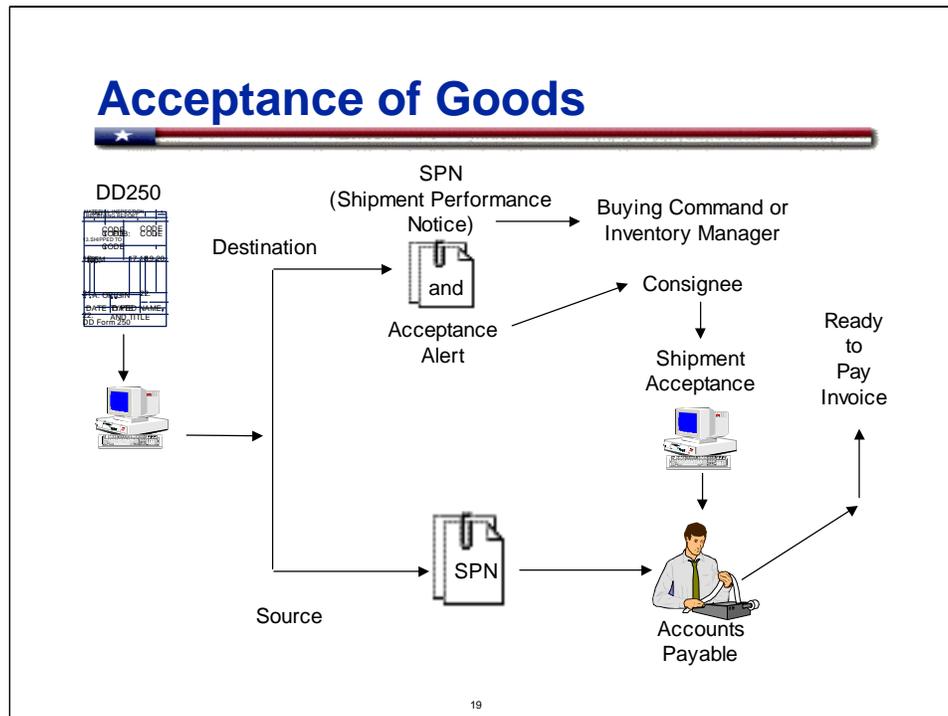
The next step in the process begins when the contractor produces or ships goods IAW the contract terms and provisions.

The contractor prepares a DD Form 250, Material Inspection/Receiving Report, and forwards it to the Contract Admin office at the DCMAO. At this time, the shipment portion of the DD250 is processed into the MOCAS system.

If the contract requires source acceptance, the contractor will obtain the Quality Assurance Rep's authorization on the DD250 prior to submission.

This process lets the receiving activity know the goods are on their way.

Acceptance of Goods

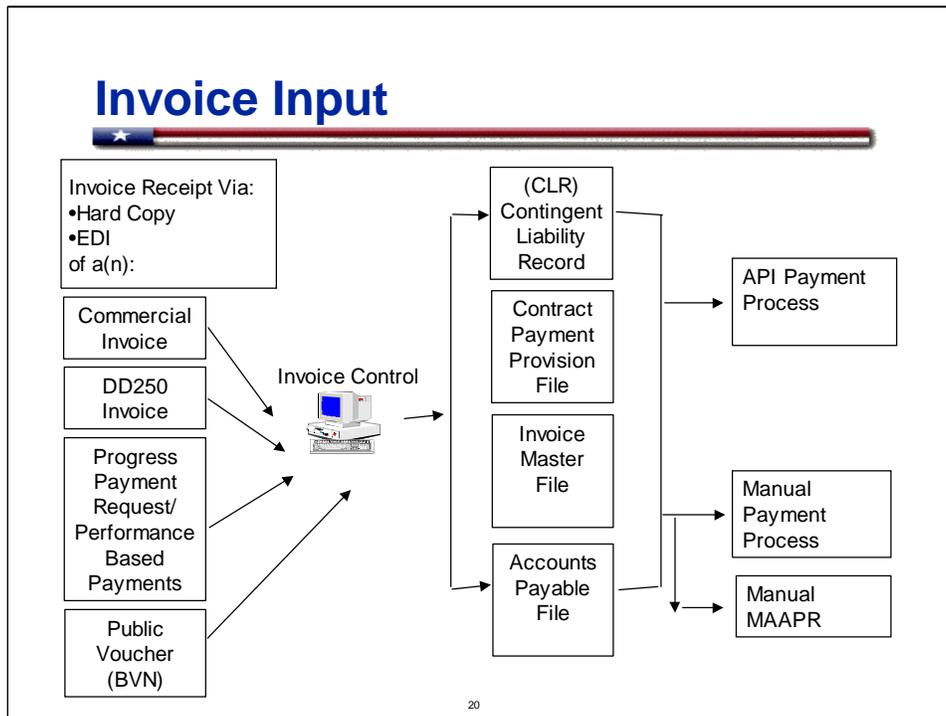


If the contract requires source acceptance, an SPN, Shipment Performance Notice, and an accounts payable are generated by the system.

If the contract requires destination acceptance, an acceptance alert to the consignee and an SPN to the Buying Activity or Inventory Manager are system generated.

Once acceptance is made at the destination point, a transaction is returned to DFAS-CO and is input by the LINE Item Research Section and an accounts payable is generated.

At this point, whether the contract stipulates source or destination acceptance, an accounts payable has been generated and an invoice may be submitted.

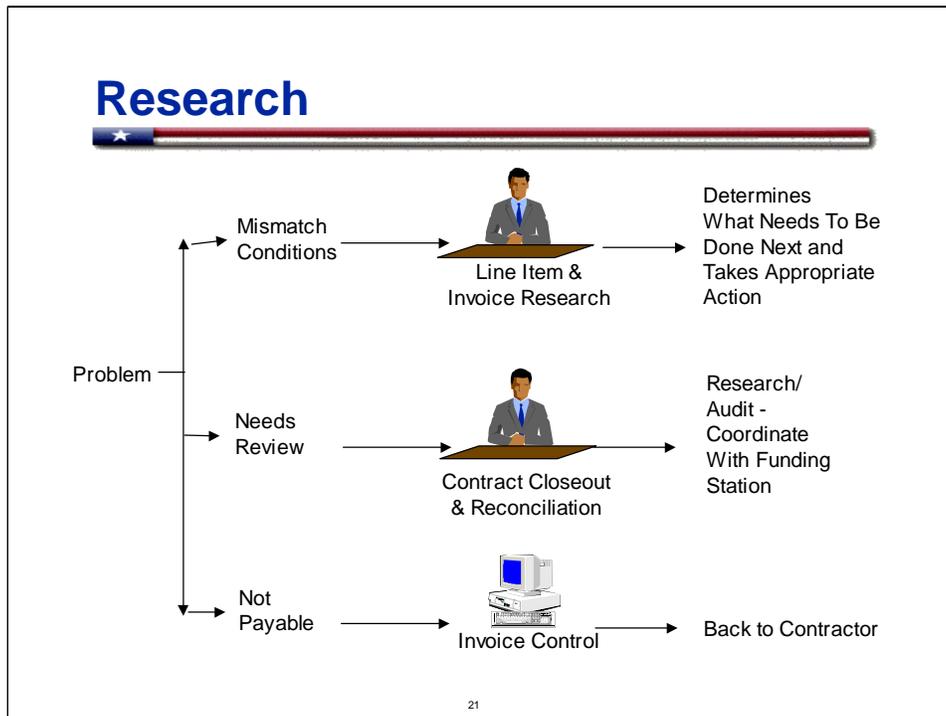


The contractor may submit an invoice in several ways, via hard copy, floppy disk, bulletin board or by EDI. Regardless of method of submission, an invoice is required to contain specific data elements.

A contractor may bill using a commercial invoice, provided all necessary data is present or he may choose to submit a DD250 stamped "Original Invoice" with 3 copies - this is called a priced DD250 or a DD250 invoice. Additionally, if contract provisions allow, the contractor may submit a progress payment or a public voucher, commonly referred to at DFAS-CO as a BVN.

The invoice data is input and is compared to the elements depicted in the center column to ensure validity of the submission.

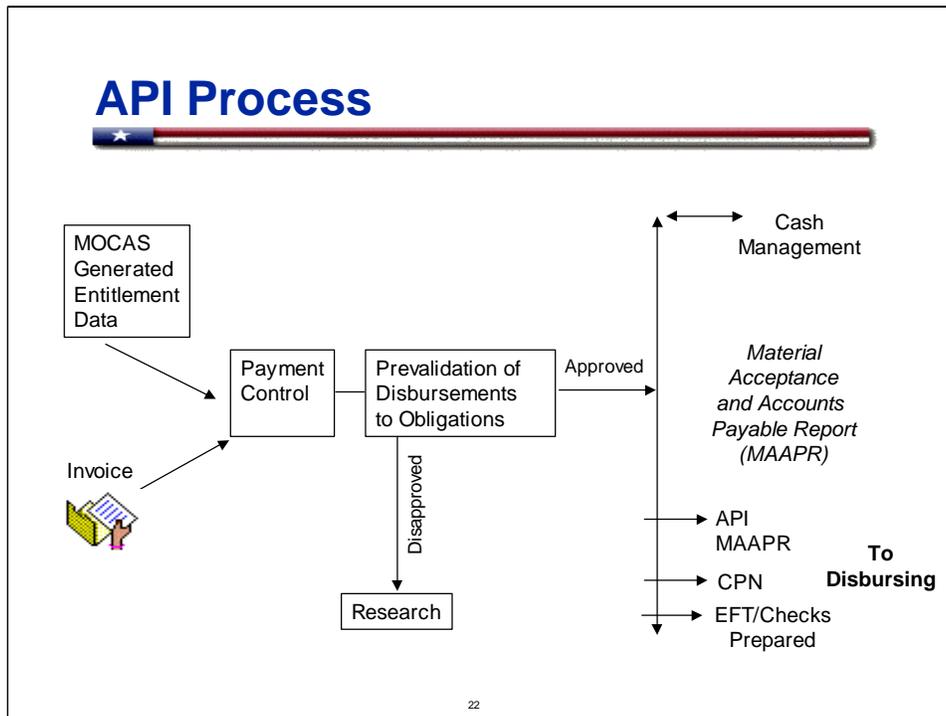
If all data matches, and is not restricted by contractual terms from doing so, the invoice enters the automatic payment process. All other invoices are matched to a manual MAAPR (material acceptance and accounts payable report) and enter the Manual Payment process.



Research for non-payable invoices is conducted in both the Line Item and Reconciliation areas.

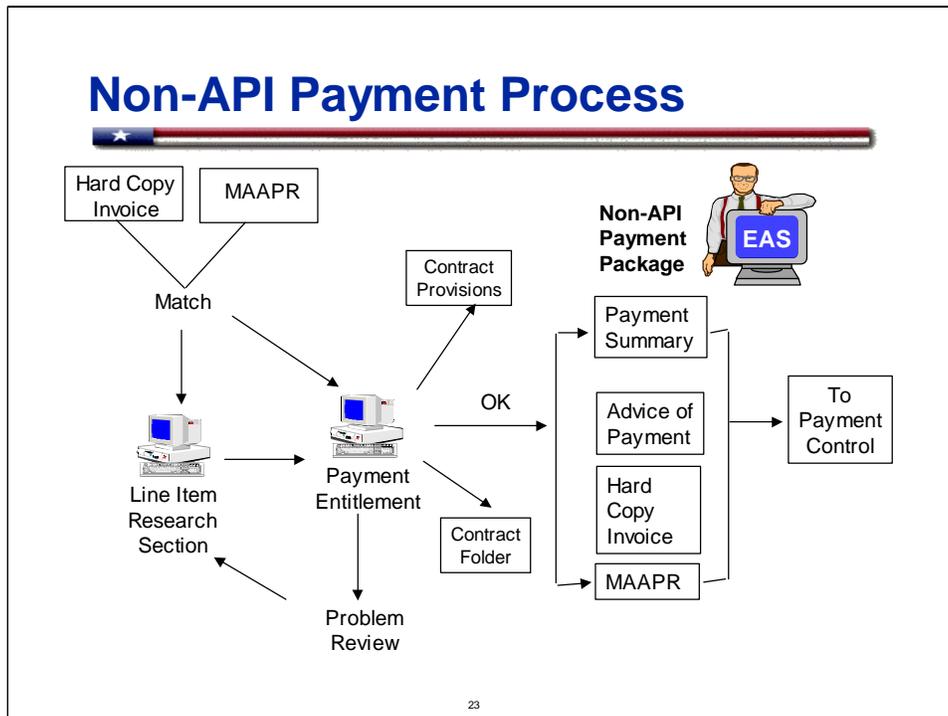
First mismatch conditions are reviewed by Line Item staff who determines and initiates corrective actions. If necessary, the invoice is forwarded to the Reconciliation area for further research or a possible contract audit.

At any point, if an invoice is made payable, it is returned to the manual payment process. If however, problems warrant, the invoice is returned to Invoice Control. The Invoice Control area removes the invoice from the system, prepares a letter outlining the problems, and returns the invoice to the contractor.



Once an invoice enters the automatic payment process it is screened for the necessity to prevalidate disbursements to obligations. Currently, all invoices \$1 million or greater must go through this process for contracts issued in 1996 or prior. For invoices on contracts issued in 1997 or newer the prevalidation threshold is \$2,500.00.

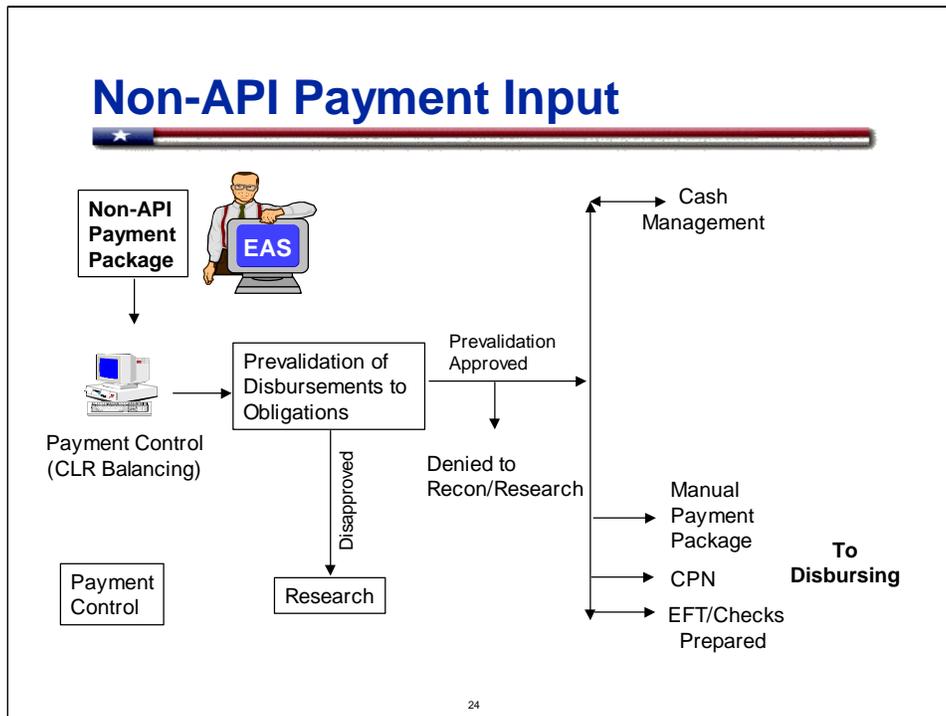
Once this process is completed and approval is received, these invoices join all other invoices and are matched with a MAAPR. The payment package is forwarded to the cash management area where CPNs and check or EFT info is prepared. Upon release from Cash Management, the package is forwarded to disbursing.



When an invoice is not a candidate for the API process, the invoice control area determines whether or not clauses appearing on the MAAPR will prevent payment.

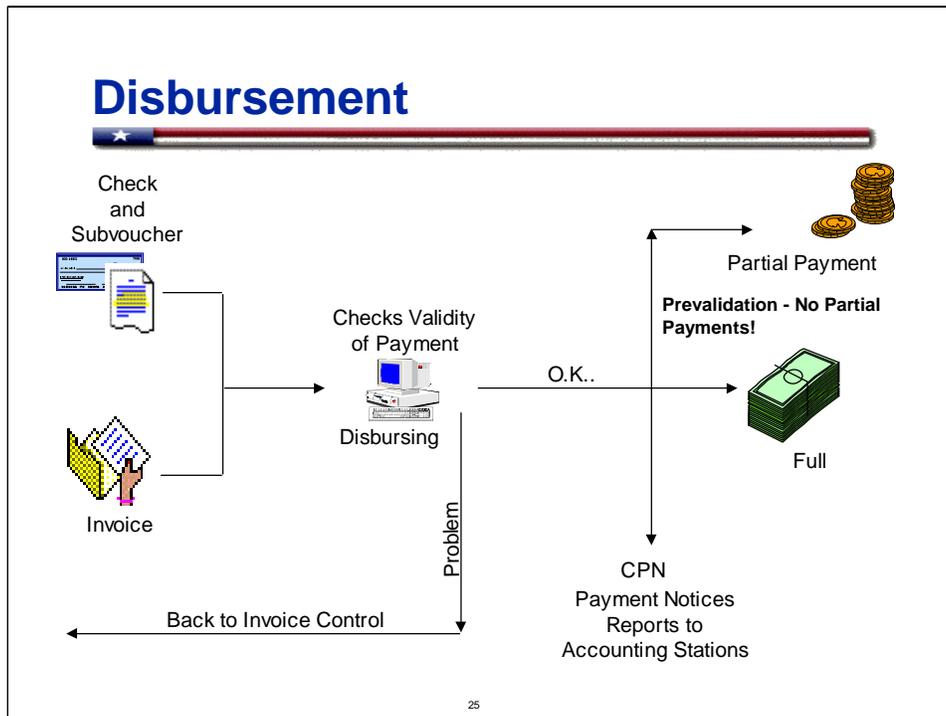
If an invoice is deemed payable, it is forwarded to the Entitlement Branch where the voucher examiner accesses EAS to prepare the payment package. The packages are then batched by service and forwarded to payment control. (Current exceptions are Performance Based Payments (PBPs) and \$0 Vouchers.

Non-API Payment Input



The payment packages are screened for accuracy and the necessity to prevalidate.

The payment package is forwarded to the Cash Management area where CPNs and check or EFT info is prepared. Upon release from Cash Management, the package is forwarded to disbursing.

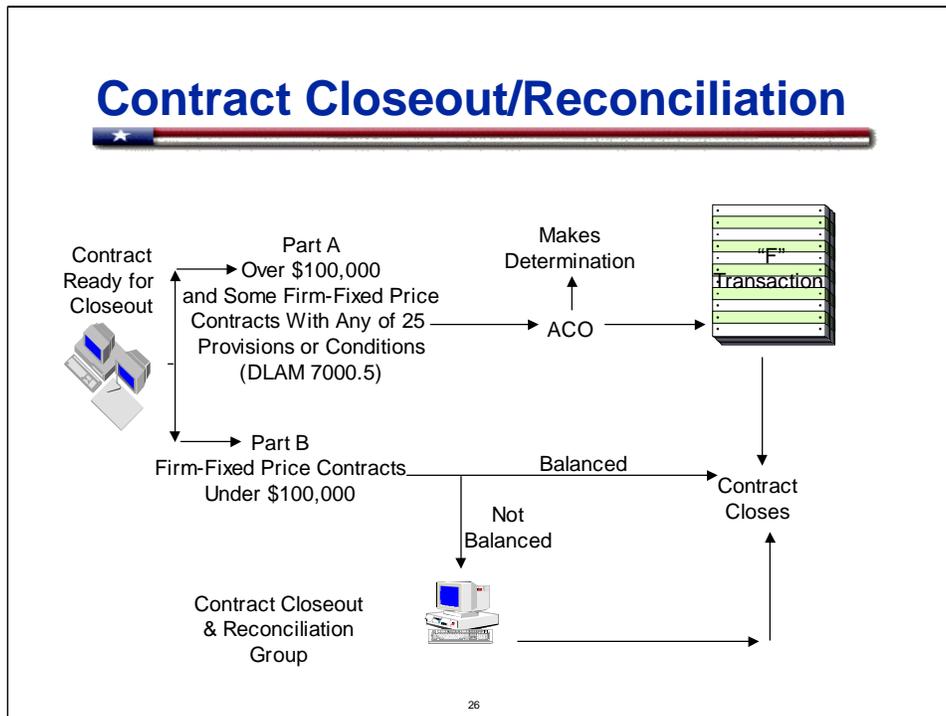


After payment control validates the invoice package and cash manages the invoice for the appropriate period, it is forwarded to disbursing.

The check and subvoucher are received in the disbursing area and are reviewed for accuracy. If everything is correct, the payment is released to the contractor.

If there is a problem, the package is returned to the operating division.

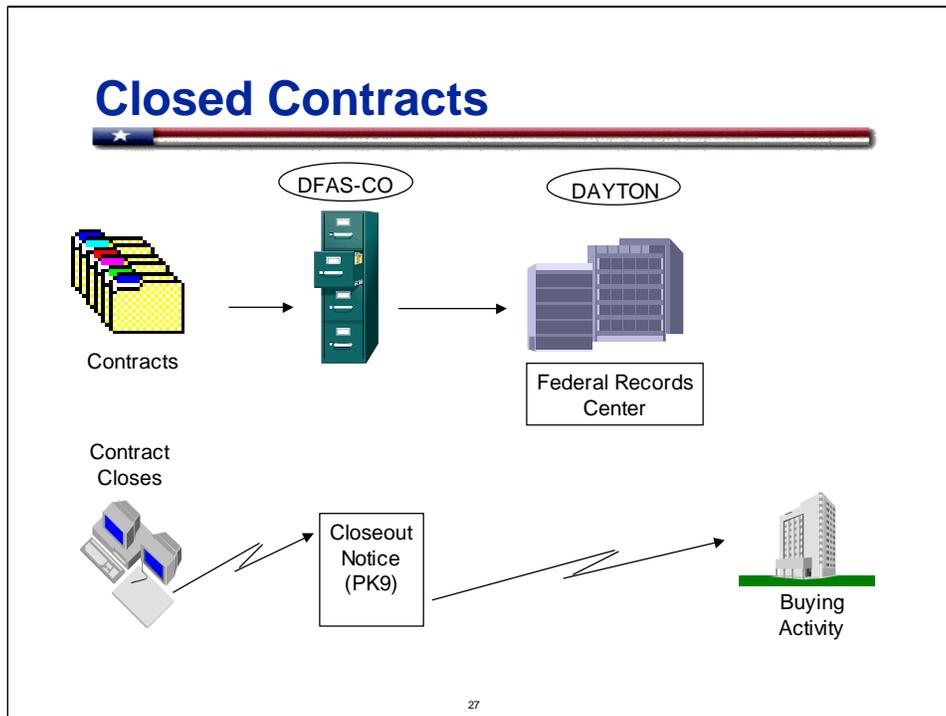
Contract Closeout/Reconciliation



When all items have been shipped and payments have been made against a contract, it is ready to begin the close-out process.

For contracts over \$100,000 a transaction is generated and sent to the ACO who reviews it and determines if the contract is in order. If everything is correct, he generates an "F" transaction to close the contract manually.

Contracts under \$100,000 close-out automatically provided everything is in balance. Any problems encountered are handled by CAR personnel and they will then close the contract.



Once a contract is closed, it is held temporarily at DFAS-CO (approx. 6 months).

The records are then forwarded to the Federal Records center in Dayton where they are held for 6 years except those contracts with FMS which are held for 10 years.

To FRC if >\$25,000

Destroy if <\$25,000

If the contract has FMS and is <\$25,000 it is sent to the FRC and held for 10 years.

Acronyms

ACO	Administrative Contracting Officer
AMIS	Acquisition Management Information System
API	Automatic Payment of Invoices
AO	Administration Office
CAO	Contract Administration Office
CAS	Contract Administration Services
CLR	Contingent Liability Record
CPN	Contract Payment Notice
DCMC	Defense Contract Management Command
DCMD	Defense Contract Management District
DLA	Defense Logistic Agency
DPRO	Defense Plant Representative Office

Acronyms (Continued)

DSCC	Defense Supply Center Columbus
EAS	Entitlement Automation System
EDA	Electronic Data Access
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
MAAPR	Material Acceptance and Accounts Payable Report
MILSCAP	Military Standard Contract Administration Procedures
MOCAS	Mechanization of Contract Administration Services
PCO	Procurement Contracting Officer
SPN	Shipment Performance Notice